

AGREEMENT BETWEEN
THE GOVERNMENT OF THE UNITED STATES OF AMERICA
AND THE GOVERNMENT OF THE REPUBLIC OF SENEGAL
REGARDING THE REDUCTION
OF CERTAIN DEBTS OWED TO, GUARANTEED BY, OR INSURED BY
THE UNITED STATES GOVERNMENT

The Government of the United States of America (the "United States") and the Government of the Republic of Senegal ("Senegal") agree as follows:

ARTICLE I

Application of the Agreement

1. Pursuant to the recommendations contained in the Agreed Minute on the Reduction of the Debt of the Republic of Senegal, signed on June 9, 2004, by the Participating Creditor Countries and Senegal (herein referred to as the "Minute"), the applicable domestic laws of the United States and Senegal, and the September 1999 commitment of the President of the United States to provide 100 percent debt forgiveness on eligible debt to certain Heavily Indebted Poor Countries, the United States and Senegal hereby agree to the reduction of certain Senegalese payments due as a result of debts owed to, guaranteed, or insured by the United States Government or its Agencies.

2. With respect to amounts owed to the Export-Import Bank of the United States ("Ex-Im Bank"), the Department of Defense ("DoD"), and the United States Agency for International Development ("USAID"), each agency will notify Senegal of the amounts reduced hereunder.

ARTICLE II

Definitions

1. "Agencies" means the Ex-Im Bank, DOD, and USAID.

2. "Contracts" mean

(a) loans from the United States Agency for International Development ("USAID Direct loans") that have original maturities of more than one year and were extended to Senegal or its public sector, or covered by a guarantee of Senegal or its public sector, pursuant to an agreement concluded with the United States before June 20, 1999 and

(b) bilateral debt rescheduling agreements concluded between the United States and Senegal before June 20, 1999.

A table listing the relevant contracts to be included under the reduction is attached hereto as Annex A.

Debt service due as a result of debts described above and effected through special payment mechanisms or other external accounts are covered by this Agreement.

3. "Relevant Principal" means the total amount of principal outstanding as of April 1, 2004, including Accrued Interest and any principal and interest in arrears (including Late Interest, if any), on Contracts as defined in Article II, paragraph 2 of this Agreement.
4. "Accrued Interest" means interest accrued under the relevant Contracts from the last interest maturity date through March 31, 2004, inclusive, computed at the rate specified in the Contracts.
5. "Late Interest" means interest charges accruing from the contractual payment date of principal and interest due and not paid through March 31, 2004, inclusive.
6. "Minute" means the Agreed Minute on the Reduction of the Debt of the Republic of Senegal, signed on June 9, 2004.
7. "Participating Creditor Countries" means creditor countries that are signatories to the Agreed Minute on the -Reduction of the Debt of the Republic of Senegal dated June 9, 2004.
8. "Completion Point" means April 15 and 19, 2004, the dates on which the Boards of International Development Association of the World Bank and the International Monetary Fund ("IMF") respectively decided that Senegal had reached its Completion Point, as defined under the Enhanced Debt Initiative for Heavily Indebted Poor Countries.

ARTICLE III

Terms and Conditions of Reduction

1. One hundred percent of the Relevant Principal as defined in Article II, paragraph 3 is hereby cancelled.

A table summarizing the amount of Relevant Principal owed to the United States is attached hereto as Annex B.

2. Adjustments in the amounts of Relevant Principal may be made in writing, as necessary and by mutual consent.

ARTICLE IV

General Provisions

1. Senegal shall seek to secure from external public or private creditors not participating in the Minute reduction arrangements on terms comparable to those set forth in the Minute for credits of comparable maturity, committing to avoid treatment more favorable than that accorded to the Participating Creditor Countries, as more specifically defined in the Minute.
2. Except as may be modified by this Agreement, all terms of the Contracts remain in full force and effect.
3. With respect to amounts owed to Ex-Im Bank under this Agreement, Senegal (referred to as the "Government" in Annex C hereto) agrees to the additional terms and conditions set forth in Annex C.
4. With respect to amounts owed to USAID under this Agreement, Senegal (referred to as the "Government" in Annex D hereto) agrees to the additional terms and conditions set forth in Annex D.
5. With respect to amounts owed to DoD under this Agreement, Senegal (referred to as the "Government" in Annex E hereto) agrees to the additional terms and conditions set forth in Annex E.

ARTICLE V

Suspension or Termination

1. The United States may suspend or terminate this Agreement by giving sixty (60) days written notice to Senegal. In particular, the United States may suspend or terminate all or part of this Agreement, if the Participating Creditor Countries determine that Senegal has not met its obligations under the Minute, including those of comparable treatment. If the United States terminates all or part of this Agreement, all payments consolidated and cancelled under this Agreement shall be due and payable immediately following notification to Senegal of termination of the Agreement.
2. This Agreement may be amended or modified by mutual consent of the United States and Senegal.

ARTICLE VI

Entry into Force

This Agreement shall enter into force following signature of the Agreement and written notice to Senegal by the United States that all necessary U.S. domestic legal requirements for entry into force of the Agreement have been fulfilled.

Done at Dakar, Senegal, this 19 day of NOV , 2004.

FOR THE GOVERNMENT OF THE
UNITED STATES OF AMERICA:

Richard Roth



FOR THE GOVERNMENT OF THE
REPUBLIC OF SENEGAL:

[Signature]
Le Ministre de l'Economie
et des Finances
Abdoulaye Diop

Annex A
Agreements Subject to Rescheduling

Export-Import Bank
Loan Number

R0215
R0237

Department of Defense
Loan Number

SK957E
SK967E
SK977E
SK987E
SK996D
SK996E

USAID
Direct Loan Number

685G001
685G0013R
685G0014R
685G0015R
685G0017R
685G0018R
685G0019R
685G0020R
685G0021R

USAID
Housing Guarantees

685HR021A01
685HR022A01
685HR023A01
685HR024A01

Annex B
Summary of Relevant Principal
(thousands of US dollars)

Ex-Im	\$ 822
DoD	\$4,244
USAID	\$2,749
TOTAL	\$7,815

ANNEX C

ADDITIONAL TERMS AND CONDITIONS WITH RESPECT TO

AMOUNTS OWING TO EX-IM BANK

The Government of the Republic of Senegal, (hereinafter referred to as the "Government"), agrees to the following additional terms and conditions with respect to the amounts owing to Ex-Im Bank, guaranteed by Ex-Im Bank, or insured by Ex-Im Bank, pursuant to the attached Agreement between the United States of America and the Government:

A. Exporter Retentions. The term "Exporter Retention(s)" means with respect to the Contracts stipulated in this Agreement: (i) that portion of commercial credits from commercial lenders or U.S. exporters which was not guaranteed or insured by Ex-Im Bank and is owed to such commercial lenders or U.S. exporters; or (ii) loans from commercial lenders or U.S. exporters which were incurred in participation with loans from Ex-Im Bank. In the event that the commercial lender or U.S. exporter agrees to reduce its Exporter Retention(s) in accordance with the terms of this Agreement, such Exporter Retention(s) shall be included in the subject debt reduction agreement.

B. Representations. The Government represents and warrants that it has taken all actions necessary or advisable under its laws and regulations to authorize the execution, delivery and performance of this Agreement and that this Agreement constitutes the valid and binding obligations of the Government, enforceable against the Government in accordance with its terms and for the performance of which the full faith and credit of the Government is pledged. The Government acknowledges that the activities contemplated by this Agreement are commercial in nature rather than governmental or public and agrees that, to the extent that it has or hereafter may acquire immunity from suit, judgment and/or execution, it will not assert or claim any such right of immunity with respect to any action by Ex-Im Bank to enforce the Government's obligations under this Agreement.

C. Miscellaneous Provisions.

1. Expenses. The Government shall pay on demand all reasonable costs and expenses incurred by or charged to Ex-Im Bank in connection with or arising out of this Agreement, including without limitation costs and legal fees incurred by or charged to Ex-Im Bank in connection with the enforcement of this Agreement.

2. Adjustments. On or about 135 days after the execution of this Agreement, Ex-Im Bank shall inform the Government of the actual amounts to be reduced hereunder. The parties hereto agree to make any necessary adjustments to the amounts being reduced.

3. Communications. All communications between the Government and Ex-Im Bank under this Agreement shall be in writing, in the English language (or accompanied by an accurate English translation). All communications to the Government shall be addressed to the Government at the address designated by the Government from time to time in writing to Ex-Im Bank; all communications to Ex-Im Bank shall be addressed to Ex-Im Bank at the following address:

Export-Import Bank of the United States
811 Vermont Avenue, N.W.
Washington, D.C. 20571
Attention: Treasurer-Controller
Ref: R-283 - Senegal
Telex: 89461 EXIMBANK WSH
197681 EXIM UT
Facsimile: (202) 565-3890

4. Governing Law. The Ex-Im Bank portion of this Agreement shall be governed by and construed in accordance with the laws of the District of Columbia, United States of America.

Annex D

ADDITIONAL TERMS AND CONDITIONS WITH RESPECT TO
AMOUNTS OWING TO USAID

A. GENERAL PROVISIONS

1. Communications. All communications between the Government and USAID shall be in writing in the English language (or accompanied by an accurate translation). All communications to the Government shall be addressed as the Government may designate from time to time in writing to USAID. All communications to USAID shall be addressed as follows:

Chief
Office of Financial Management, Loan Management Division
(FM/LM)
USAID
1300 Pennsylvania Avenue, N.W.
Room 2.10.56
Washington, D.C. 20523
Fax: (202) 216-3541

USAID may change this designated address upon written notice to the Government.

Annex E

ADDITIONAL TERMS AND CONDITIONS WITH RESPECT TO
AMOUNTS OWING TO DoD

No failure or delay on the part of the Department of Defense to exercise any right, power or privilege under this Agreement shall operate as a waiver thereof.

All statements, reports, certificates, opinions and other documents or information furnished to the Department of Defense under this Agreement shall be supplied by the Government without cost to the Department of Defense.

The Government shall reimburse the Department of Defense, on demand, for all reasonable and documented out-of-pocket expenses (including legal fees) incurred by the Department of Defense in connection with the enforcement of this Agreement.

To the extent that the Government has or hereafter may acquire immunity from suit, judgment, and/or execution, the Government agrees that it shall not assert or claim any such right of immunity with respect to any action to enforce its obligations under this Agreement, except as provided for in the Government's judicial codes with respect to execution through the courts of the Government.

Upon entry into force of this Agreement, the Department of Defense shall consider arrears as having been forgiven for the purposes of resuming the provision of assistance to the Government. The Department of Defense will notify the Government of the amounts forgiven.

The Department of Defense portion of this Agreement shall be governed by, and construed in accordance with, the laws of the District of Columbia, United States of America.

All communications between the Government and the Department of Defense shall be in writing, in the English language at the following address:

Defense Security Cooperation Agency
Crystal Gateway North
Suite 303
1111 Jefferson Davis Highway
Arlington, VA 22202-4306
Facsimile: (703) 604-6538